



Political Action Committees

Nos. 2021-2022

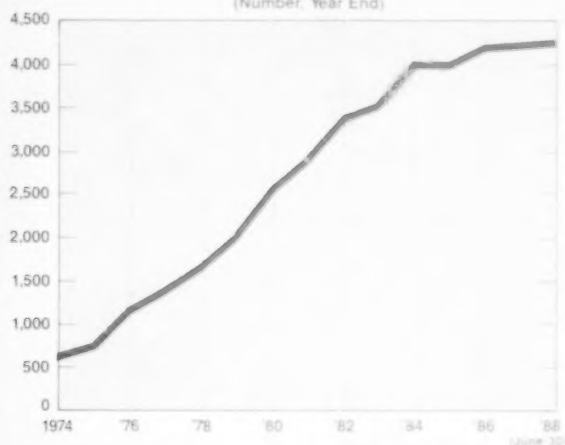
October, 1988

Presidential election years, such as 1988, heighten interest in the cost of political campaigns in the United States and in how they are financed. Political action committees (PACs) are an important part of the system that finances the election process. The number of PACs has risen dramatically since the adoption of the Federal Election Campaign Act (FECA) in 1974. The act provides

for partial public financing of presidential elections and sets ceilings on campaign contributions by individuals and on campaign expenditures by candidates for federal office. In the closing days of 1974 only 608 PACs were registered with the Federal Election Commission (FEC), but these grew in number to 4,196 by mid-1988.

Growth of
Political Action Committees

(Number, Year End)



PAC Contributions to All
Federal Candidates

(Election Cycle)

Millions of Dollars



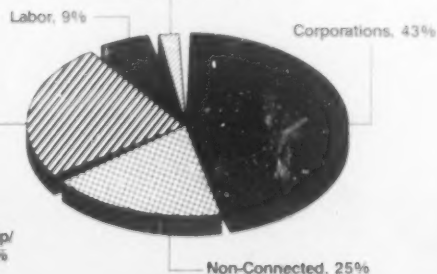
Distribution of PACs

By Affiliation

18 Months to June 30, 1988

4,196 = 100%

Corporations Without Stock,
Cooperatives, 5%



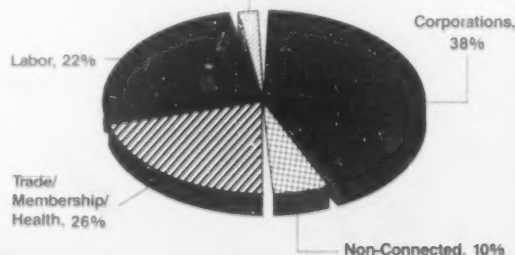
PAC Contribution to All Candidates

By Affiliation

18 Months to June 30, 1988

\$94.9 Million = 100%

Corporations Without Stock,
Cooperatives, 4%

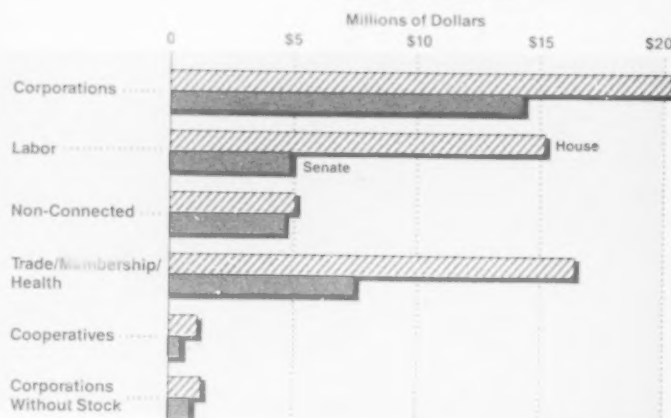


Any group can set up a PAC for the purpose of raising funds for political candidates. PACs can be affiliated with a sponsor, such as a corporation, labor union, or a trade association, and can solicit the sponsor's members for contributions. The sponsoring organizations themselves are not allowed to give money to the PACs for contributions to candidates; they can only allocate funds to the PACs for administrative costs. All PACs must register with the FEC, which monitors all receipts, disbursements, and contributions to candidates running for federal offices (the House of Representatives, the Senate, and the Presidency).

The FEC groups the nonpolitical party PACs into six categories. While the number of PACs in all categories has increased since 1974, exceptionally high growth occurred in the

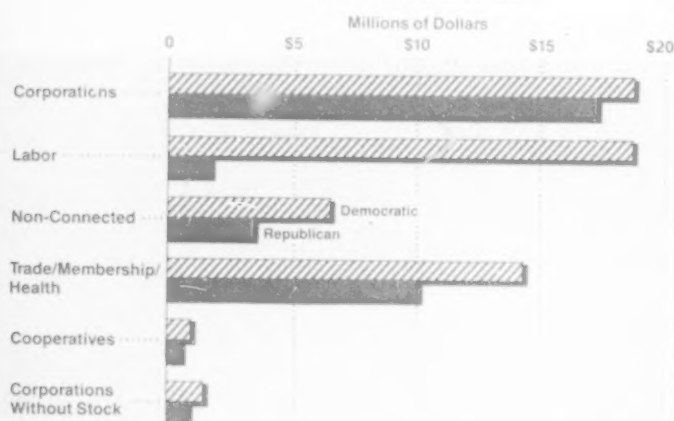
PAC Contributions By House of Congress

18 Months to June 30, 1988



PAC Contributions By Party

18 Months to June 30, 1988

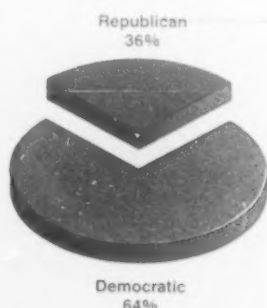


categories of Corporate and non-Connected, or ideological PACs. The number of Corporate PACs jumped from less than 100 to over 1,800 between 1974 and 1988, while non-Connected PACs rose from 110 in 1977 to more than 1,000 in 1988.

Only a small portion of PAC receipts are contributed directly to the candidates. Most of the funds cover PAC operating costs, are spent on behalf of the candidates, or are carried over to the next two-year election cycle. Between January 1, 1987 and June 30, 1988, PACs raised nearly \$267 million and spent about \$215 million, up 5% from the previous period. Their combined contributions to all candidates for federal office totaled \$95 million—an increase of 21% during the 18-month election cycle; over 80% of all contributions went to incumbents.

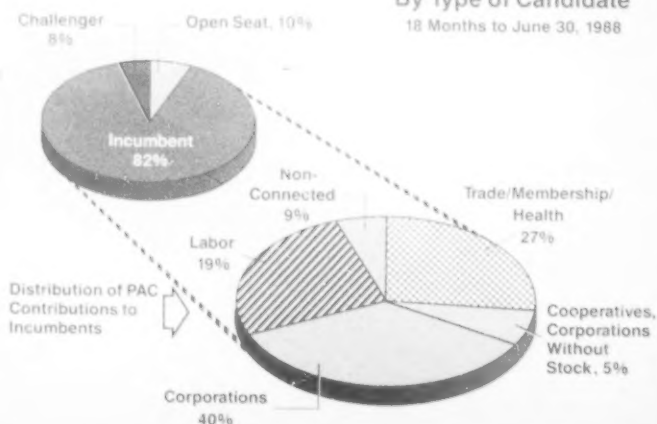
Distribution of PAC Contributions By Party

18 Months to June 30, 1988



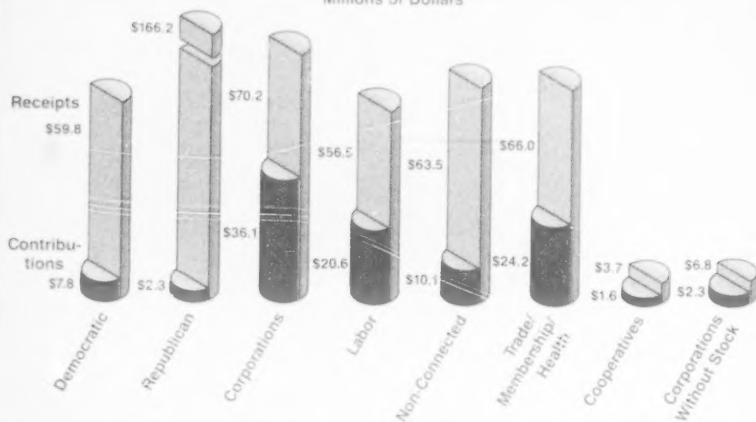
PAC Contributions By Type of Candidate

18 Months to June 30, 1988



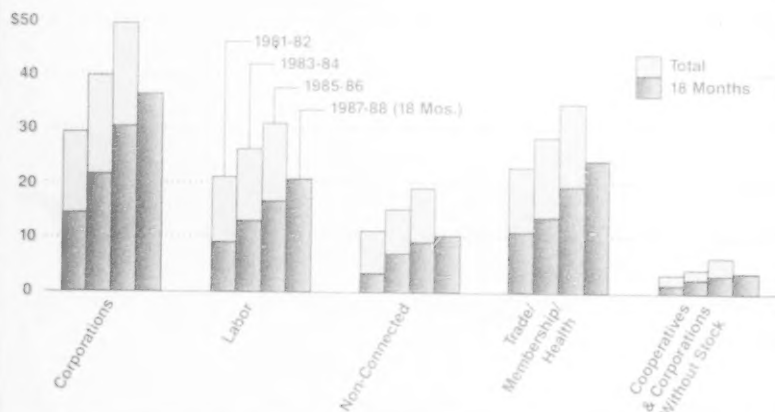
Receipts and Contributions By PACs and Political Parties

18 Months to June 30, 1988
Millions of Dollars



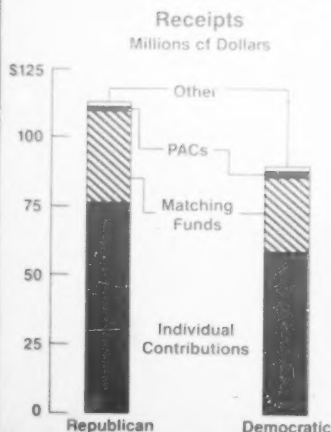
PAC Contributions to Candidates

Millions of Dollars



Presidential Campaign Spending

20 Months to August 31, 1988



PAC Contributions to Presidential Candidates



ELECTION CONTRIBUTIONS:

Who? How Much? To Whom?

Individuals

- \$25,000 maximum to presidential and congressional campaigns. Only \$1,000 can go directly to any one candidate; \$5,000 to any one PAC; and up to \$20,000 to a national party for campaigns for federal offices.
- Unlimited contributions can be made to a national party for state and local campaigns (soft money).
- Contributions to state and local party organizations can also be made, but limits apply in a number of states.

PACs

- \$15,000 maximum annually to a party for campaigns for national offices.
- Unlimited "soft money" to a party for state and local campaigns, party building, and voter drives.
- Unlimited independent expenditures, which do not go directly to a candidate but are intended to benefit or hurt a campaign.

Corporations and Labor Groups

- Prohibited from contributing to candidates for federal office.
- Unlimited contributions to a party for state and local campaigns, party building, and voter drives.

Political Parties

Each political party's national committee can spend:

- \$8.3 million on behalf of presidential candidates in general elections.
- \$46,100—\$938,680 on behalf of each senate nominee, based on size of the voting-age population of the state.
- \$25,050 for each House race.
- Individual state party committees may spend similar amounts for Senate and House races, or they can transfer their limits to the national committee, thus effectively doubling spending limits.

Presidential Candidates

Primaries:

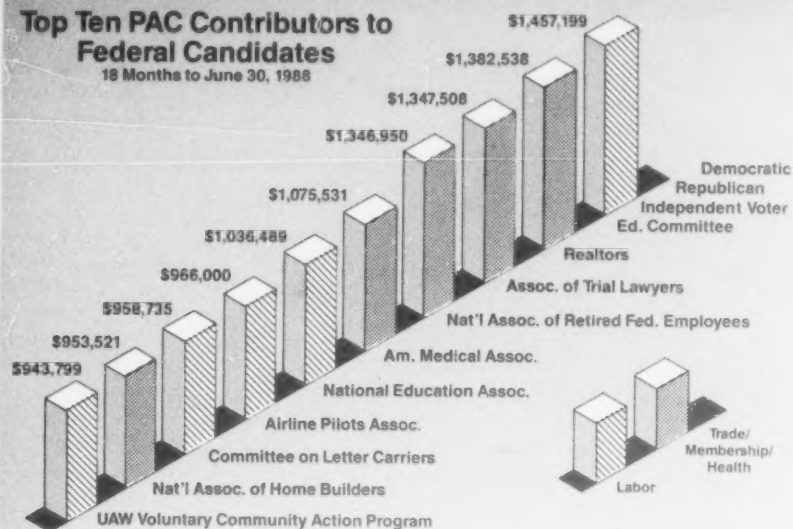
- Candidates accepting federal matching funds can spend a maximum of \$27.66 million (legal and accounting expenses are exempt from the limit).

General elections:

- Each nominee receives \$46.1 million in public funds for campaign costs and \$9.2 million for convention costs.
- Each political party may spend \$8.3 million on behalf of its candidate.

Top Ten PAC Contributors to Federal Candidates

18 Months to June 30, 1988



In the current election cycle, PAC contributions tend to favor Democrats. Contributions to Democratic House and Senate candidates were 44% higher than in the last cycle, while giving to Republican congressional candidates declined 7% from the earlier period. The ten largest PAC contributors—all Trade/Membership/Health and Labor committees—gave \$11.5 million to federal candidates. These contributors account for less than one quarter percent of the total number of PACs but for 12% of all funds contributed by PACs to federal candidates.

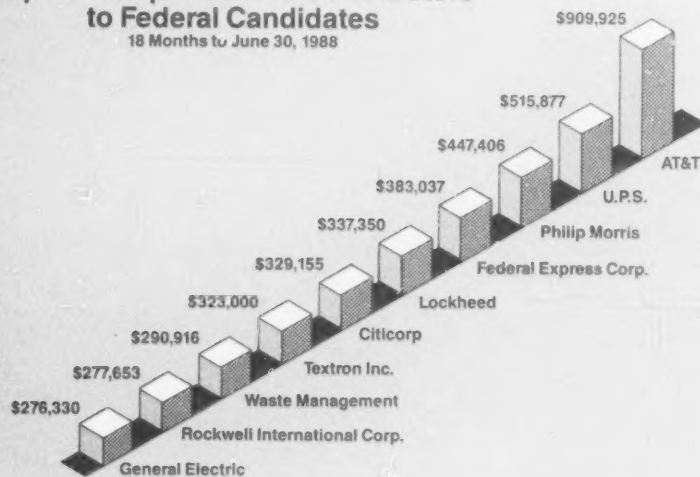
In the current presidential campaign over \$200 million was raised through August 31, 1988, \$113 million by Republicans and \$90 million by Democrats. Individual contributors were the main source of funds, with \$135 million.

Eva Culen

Sources: Federal Election Commission; The Conference Board.

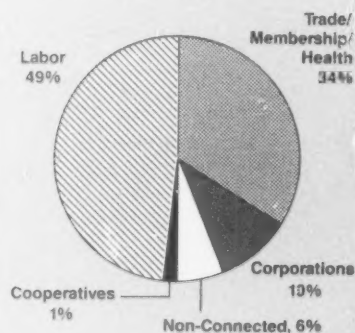
Top Ten Corporate PAC Contributors to Federal Candidates

18 Months to June 30, 1988



Top 50 PAC Contributors to Federal Candidates

18 Months to June 30, 1988



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Foreign Direct Investment

Nos. 2023-2024

December, 1988

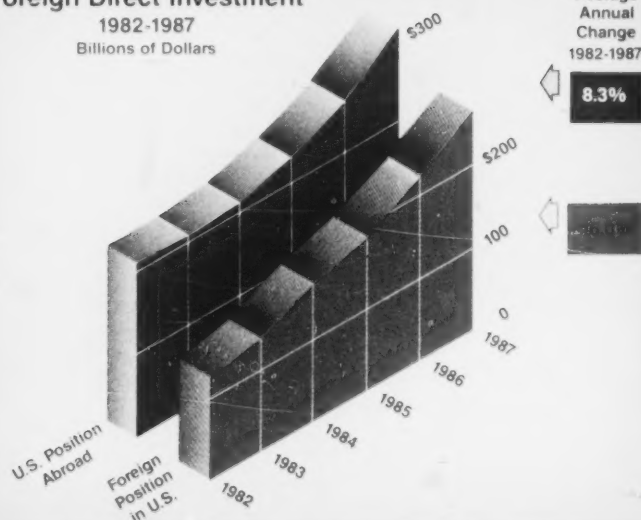
Beginning in the mid-1950s, the massive flow of U.S. direct investment abroad was viewed with some alarm by recipient countries, leading to the concept of "le défi Américain" (the American challenge). These days the tables are turned, as rapidly growing foreign direct investment in the United States has raised cries of "buying into America." In the U.S., one school of thought sees long-term harm befalling the coun-

try, as more economic and political decisions may be influenced by foreign interests. Another school extols the benefits of the large capital inflows, citing such benefits as the creation of new jobs and the acquisition of new technology; it also deems them necessary to help balance our current account deficit.

Foreign Direct Investment

1982-1987

Billions of Dollars

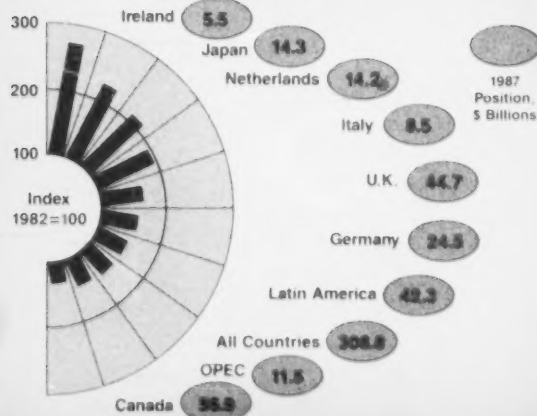


Large-scale U.S. direct investment abroad dates back to the mid-1950s. The U.S. then sold more in goods and services abroad than it bought and used part of that surplus to "export" capital. By the early 1980s, however, outgoing investment flows were growing slowly in spite of the rising dollar. Paradoxically, the slump in the dollar since 1985 seems to have stimulated U.S. investment abroad at an unprecedented rate. Over \$90 billion poured out in the period from 1982 to 1987 while incoming flows were \$146 billion. In 1987, the stock of U.S. direct investment abroad was \$309 billion, having grown at an average annual rate of 8% since 1982.

In recent years, a major wave of incoming investment caused the foreign position in the U.S. to rise to \$262 billion by 1987, at twice the rate of growth of outgoing U.S. investment. In spite of satisfactory economic growth abroad, foreign investors continue to pour money into the United States. Some of the

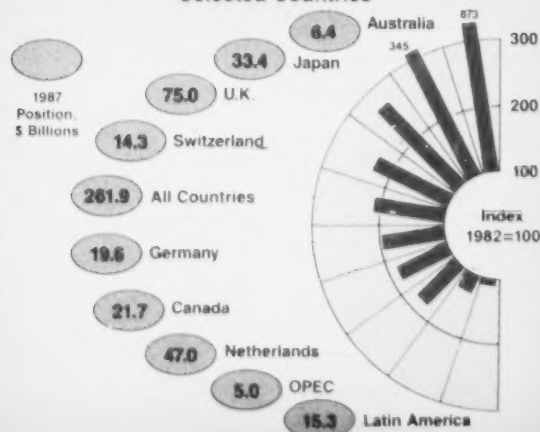
Growth of U.S. Investment Abroad, 1982-87

Selected Countries

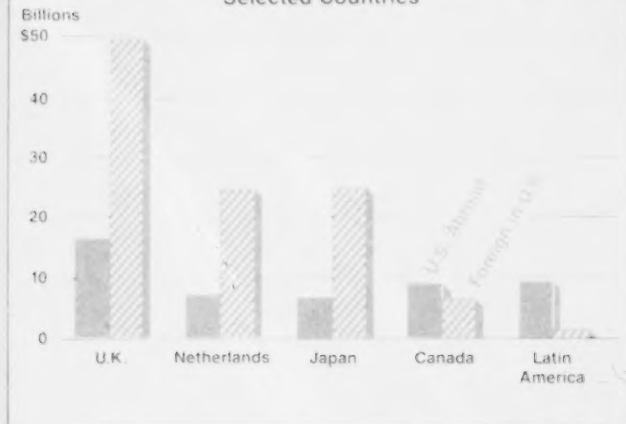


Growth of Foreign Investment in U.S., 1982-87

Selected Countries



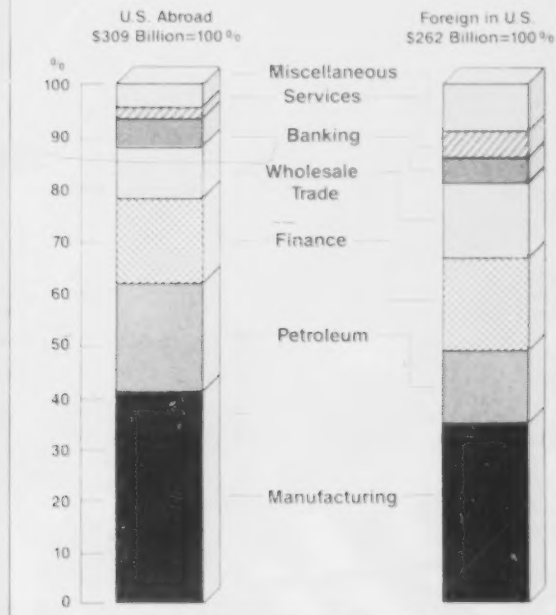
Foreign Direct Investment Flows, 1982-87
Selected Countries



reasons are obvious. The U.S. is by far the single largest and wealthiest market in the world, with a healthy economy and low inflation. Good infrastructure and political stability are added attractions. The decline of the dollar and the availability of investment opportunities combine value with choice. And, finally, there is a continuing aura of protectionism that makes it prudent to establish businesses domestically.

In 1987, manufacturing and petroleum investment accounted for over half of investors' positions in the United States and

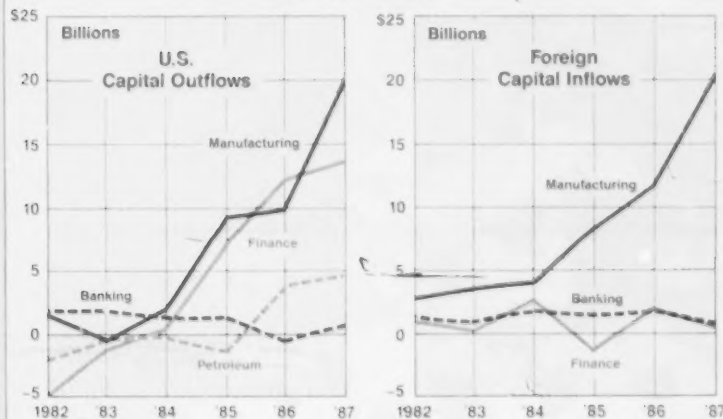
Foreign Direct Investment Position, 1987
By Sector



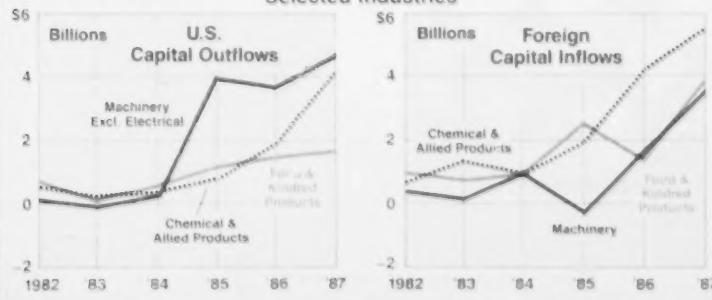
abroad. That year, for the first time, inflows and outflows of capital for investments in manufacturing were equal—at approximately \$20 billion, with machinery, chemicals, and food products comprising the major portion. The U.K. was the single largest investor in the U.S. with \$75 billion, followed by the Netherlands with \$47 billion. However, Japan with \$33 billion in investment in the U.S. in 1987 had one of the fastest growth rates; its investments tripled since 1982.

From 1982 to 1987, U.K. investment flows to the U.S. totaled \$50 billion, while the

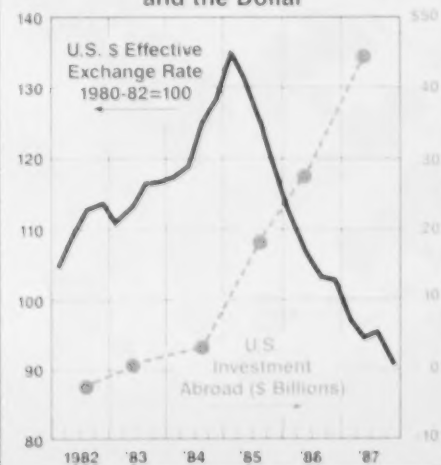
Foreign Direct Investment, 1982-87
Selected Sectors

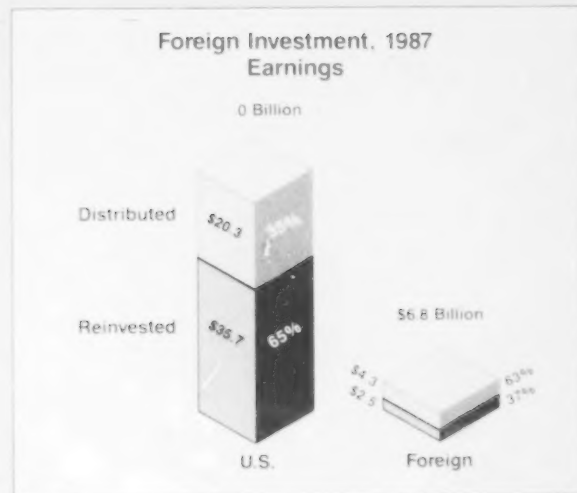
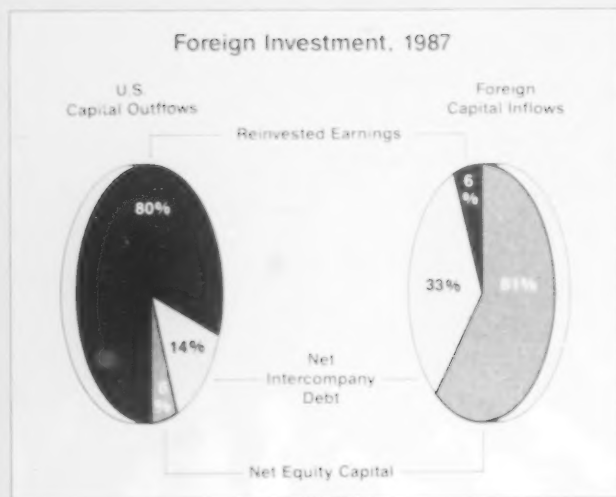


Foreign Direct Investment in Manufacturing, 1982-87
Selected Industries



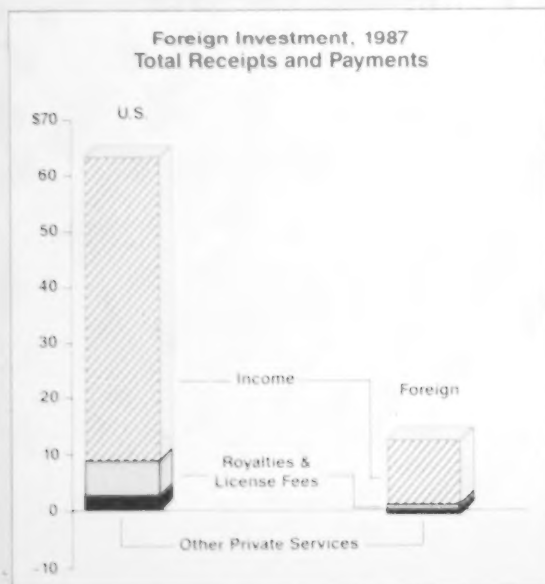
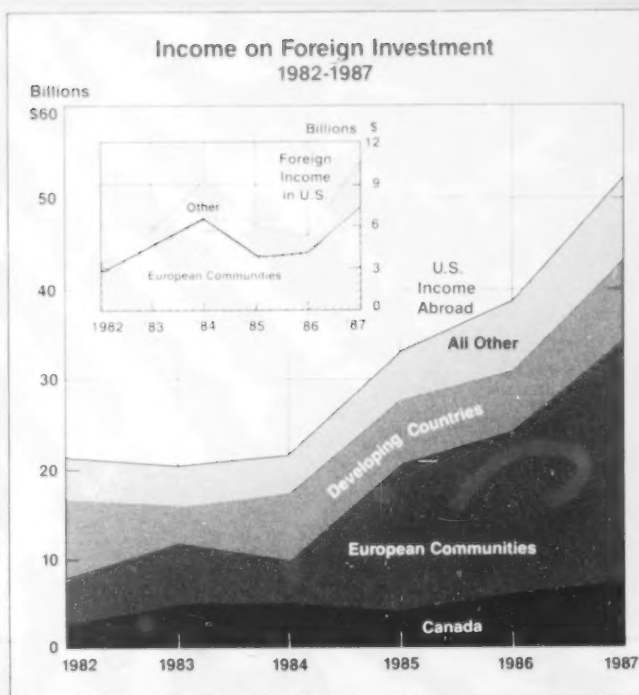
U.S. Foreign Investment and the Dollar





Netherlands and Japan added \$25 billion each; these inflows vastly exceeded U.S. outflows to these countries. On the other hand, the U.S. invested about \$10 billion each in Canada and Latin America, substantially more than businesses in those countries invested in the U.S.

The relative magnitudes of foreign direct investment to and from the U.S. mask some further differences (see charts on this page). The U.S. has been investing abroad for a much longer time and hence has extensive operations abroad. Consequently, additional American investments are channeled into existing subsidiaries in the form of reinvested earnings. Only a minuscule portion of foreign investments in the U.S. falls into this category, with the major share going into new equity capital and intercompany debt. Earnings on foreign investments is also illustrative: while the U.S. derived \$56 billion in earnings from its direct foreign

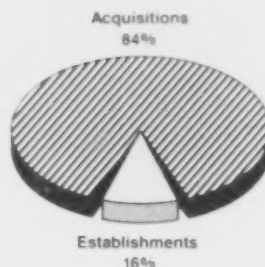


investments in 1987, foreigners earned less than \$7 billion. Of these earnings, foreign investors reinvested 37%, while U.S. companies reinvested 64%. Measured in terms of income, American investors did well, especially in the Common Market countries, where prosperous economies helped to boost business; income from EC countries was at least double that of all other countries from which the U.S. received payments in 1987.

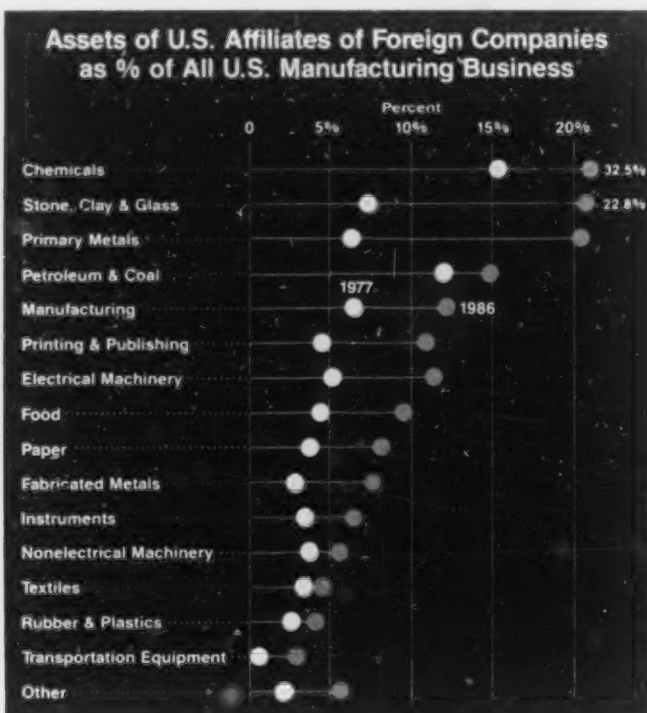
In spite of a sizable increase in absolute terms in recent years, employment by U.S. affiliates of foreign companies remained fairly small as a share of total employment—3.5% in 1986, the latest year for which figures are available. The ratio is higher in manufacturing (7.8%), mainly as a result of the heavy concentration of foreign investment in manufacturing versus services. Merchandise exports by foreign-owned U.S. affiliates were



Foreign Direct Investment in U.S. by Type, 1987



Foreign Direct Investment in U.S. by Investors, 1987



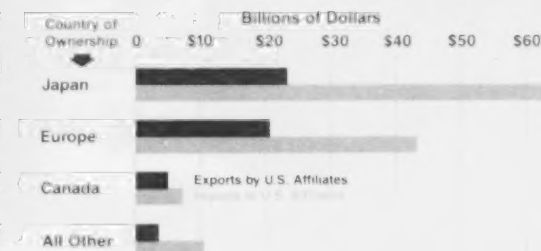
\$51 billion in 1986; imports to affiliates totaled \$124 billion, half of which was in wholesale trade in motor vehicles and durable goods.

Foreign direct investment in the U.S. is heavily supplemented by financial investments which, on balance, leave the U.S. in a heavily indebted position. At the end of 1987 U.S. net international indebtedness was \$368 billion.

Eva Culen

Sources: U.S. Department of Commerce; Morgan Guaranty Trust Co; The Conference Board.

Exports and Imports of U.S. Affiliates of Foreign Companies, 1986



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Eva Culen, Editor

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National Health Care Expenditures

Nos. 2025-2026

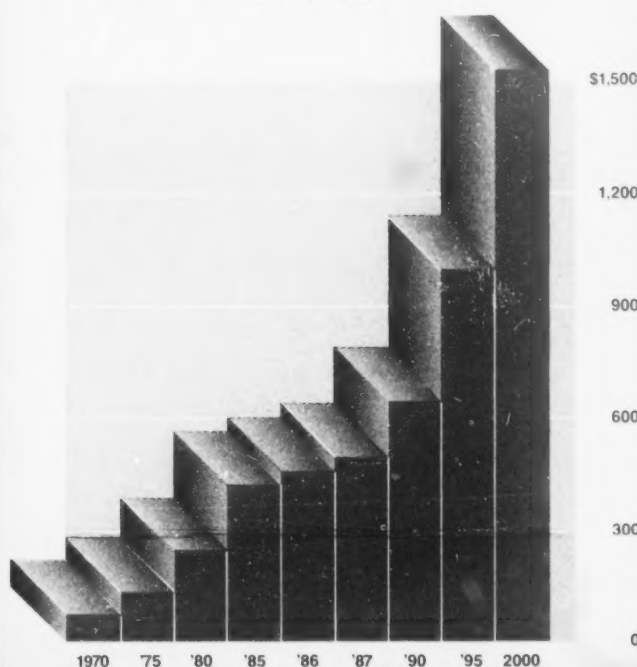
February, 1989

Despite years of efforts to curb costs, spending on health care in the United States continues to escalate. Expenses for health care rose from \$70 billion in 1970 to \$248 billion in 1980; they have since doubled, to \$500 billion in 1987. Increases in health care expenditures are expected to slow somewhat, as a result of new government and private sector

programs and an overall lower rate of inflation. Nevertheless, the Health Care Financing Administration projects the nation's health bill to rise to over \$1.5 trillion by the year 2000. Financing outlays of such magnitude will be progressively harder to meet by all concerned—consumers and employers as well as the government.

National Health Care Expenditures

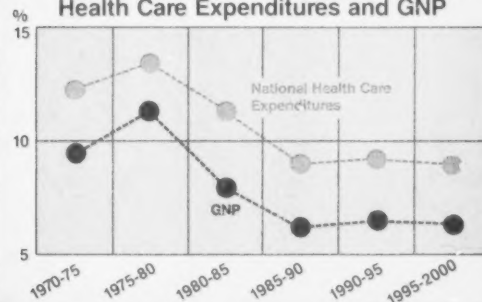
Billions of Dollars



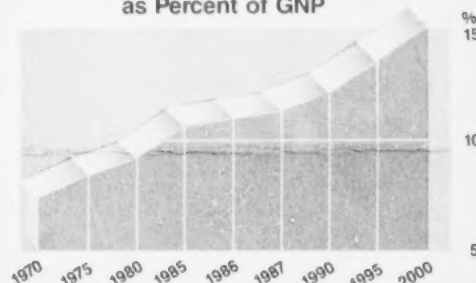
Adequate health care has come to be perceived as a right rather than a benefit. Thus, in spite of the projected slowdown in their rate of growth, health care costs will absorb an ever increasing share of the nation's resources. They are expected to account for 15% of gross national product (GNP) in the year 2000, or twice their 1970 share. The rising share of health care spending in total GNP reflects gains in both the quality and the quantity of health care. Other factors contributing to a higher health bill include a rise in the share of the elderly who are disproportionately large users of health care; increasingly sophisticated and high-priced medical technology and life-sustaining equipment; and more and costly medical tests.

So far, U.S. consumers have shown little interest in slowing the

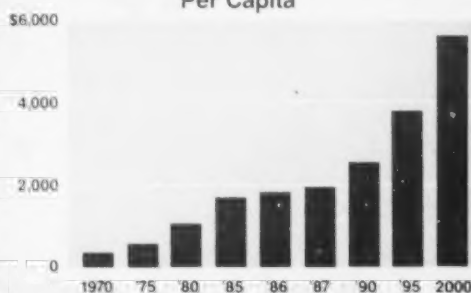
Average Annual Change in National Health Care Expenditures and GNP



National Health Care Expenditures as Percent of GNP



National Health Care Expenditures Per Capita



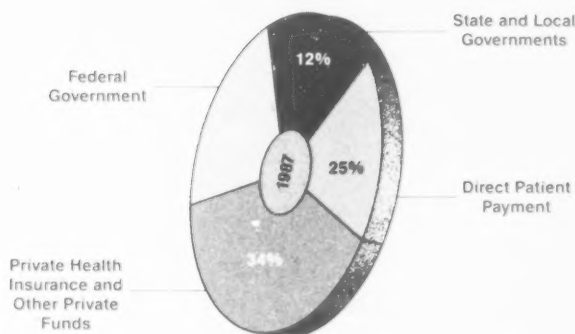
sky-rocketing cost of health care. They have been largely insulated from the true cost of their health bills, since private insurance companies or government-funded programs have paid most or all of the cost. In the private sector, many workers have access to health care as an untaxed fringe benefit. Besides, patients have little control over the amount of health care they purchase, which in most cases is determined by their doctor.

Private industry, hit by ever-escalating rate raises, has tried to cope by implementing programs to contain the rapid growth of in-patient care. New types of group health plans were introduced, such as health maintenance organizations (HMO), preferred provider organizations (PPO), and managed fee for service. Private employers have increased cost-sharing by raising deductibles and

National Health Care Expenditures, 1987

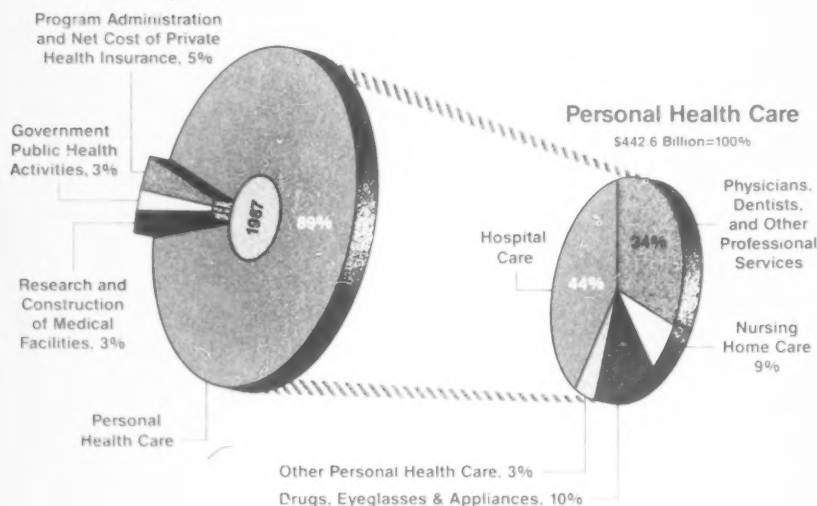
• By Source of Funds

\$500.3 Billion=100%



National Health Care Expenditures, 1987

• By Type of Expenditures



(Direct payments include co-payments and deductibles required by many third-party payers).

Private insurance was the single largest payer for health care, with \$158 billion in premiums by employers, workers, and individuals during the year. But while over 200 million people are covered by some form of insurance, an estimated 37 million remain without coverage.

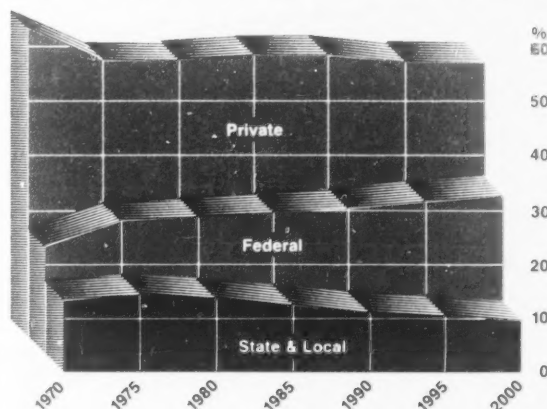
Payments by Medicare and Medicaid, the two largest government programs, totaled \$83 billion and \$52 billion in 1987, and are expected to rise to \$321 billion and \$138 billion, respectively, by the year 2000.

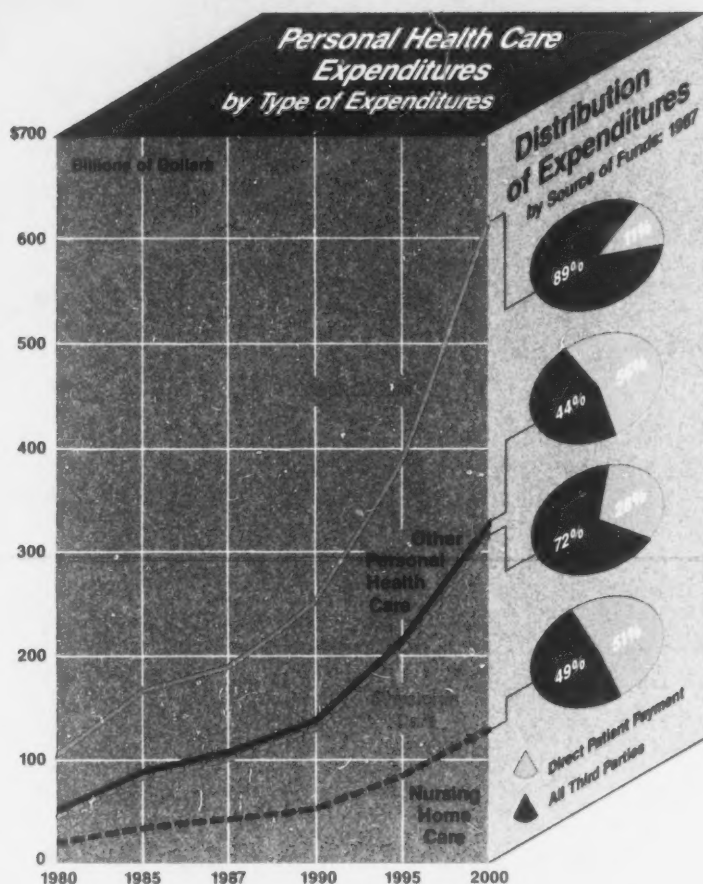
The major part of health care expenditures in 1987, or \$443 billion, consisted of personal health care or

requiring second opinions. On the government side, Medicare has implemented the Prospective Payment System (PPS). Under this system, the federal government pays a fixed price for a patient's hospital stay instead of reimbursing hospitals for incurred costs. These efforts helped to reduce the growth of in-patient hospital service, but the corresponding increase in ambulatory services resulted, on balance, in continued real growth in health care costs.

Health expenditures per capita were \$1,900 in 1987, compared with \$500 in 1970, and are expected to escalate to almost \$6,000 per capita by the year 2000. The federal and state and local governments were the source of 40% of the money spent on health care in 1987; together with private insurance and other private sources, government spending accounted for three quarters of all payments for health care. Only a quarter of the total was paid directly by the patients.

Distribution of National Health Care



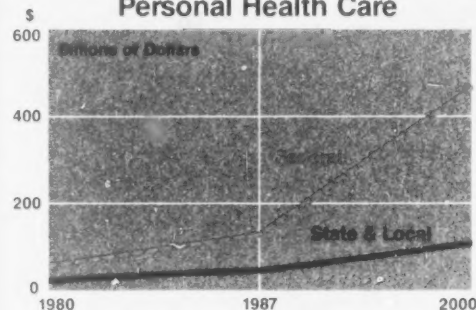


direct provision of medical care goods and services. Hospital care was by far the largest category in this group, at \$195 billion, 90% of which was covered by third-party payments; in contrast, only about one half of doctors' services was covered by third parties. Medicare funded 18% of all personal health expenditures, with Medicaid, a jointly funded federal and state program, paying for 11%.

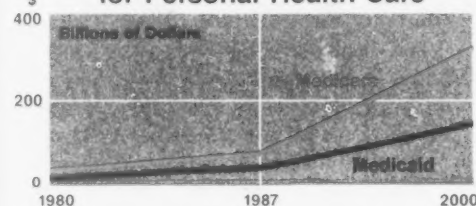
The relationship between health care expenditures and overall health is not clear. The United States spends a substantially larger share of its output on health care than other countries, but does not necessarily deliver better care to its citizens. Thus, such highly sensitive indicators

of national health as child mortality and life expectancy in the United States have not improved dramatically relative to other advanced countries. While life expectancy is a great deal higher than the world average, it is lower than that of Japan, and child mortality, while declining sharply since the 1970s, is still higher than in most other highly industrialized countries. The fact remains that no country, regardless of its wealth, can spend an unlimited amount on increasingly expensive medical care. The problems of the U.S. system of health care delivery (such as the lack of coverage for part of the population and the continuing rise in health care spending) are generally acknowledged, and remedies are being sought. Suggestions range from the introduction of a basic medical service for everyone, with the cost shared by all but the very

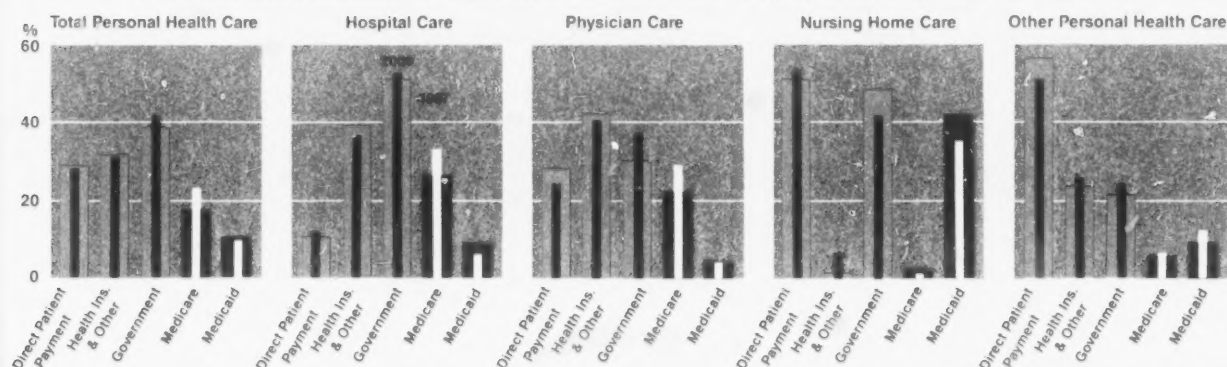
Government Expenditures for Personal Health Care



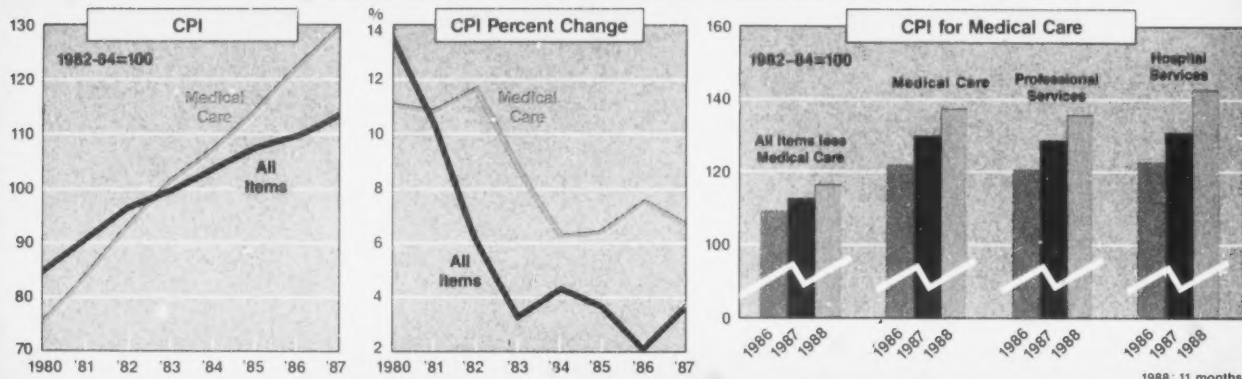
Medicare & Medicaid Expenditures for Personal Health Care



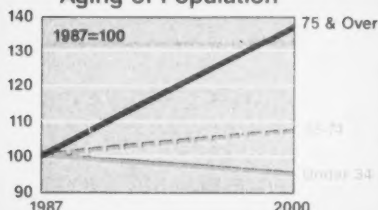
Percent Distribution of Personal Health Care Expenditures, 1987 and 2000



Cost of Medical Care and the Consumer Price Index (All Urban Consumers)



Aging of Population

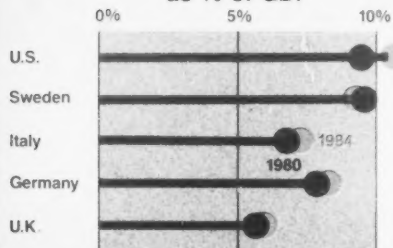


poor, to a fully government-funded system, similar to Canada's. Under this system the government sets the fees, with patients free to choose doctors and hospitals, and no money changes hands between doctor and patient.

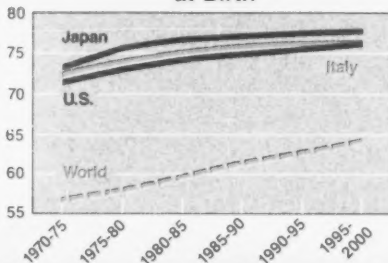
Eva Culen

Sources: Health Care Financing Administration; U.S. Department of Labor; United Nations; The Conference Board.

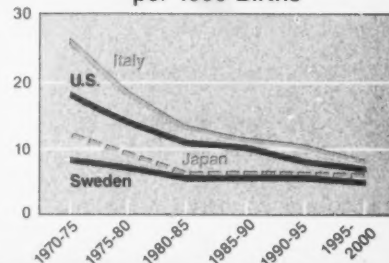
Health Care Expenditures as % of GDP



Life Expectancy at Birth



Infant Mortality per 1000 Births



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ECONOMIC ROAD MAPS

Eva Culen, Editor

Chuck N. Tow, Chief Chartist

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U.S. Population in the 21st Century

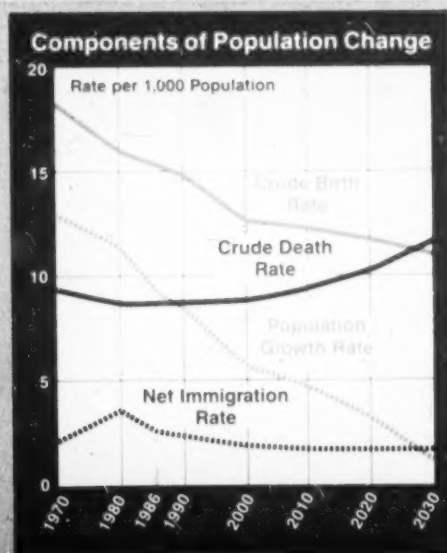
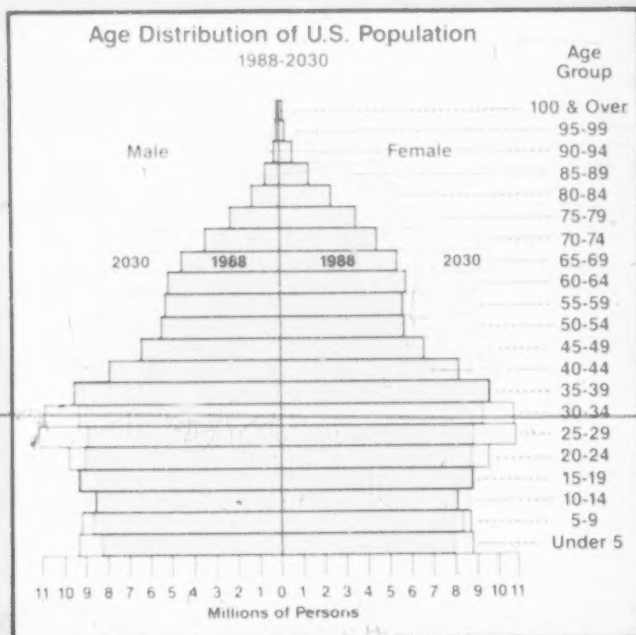
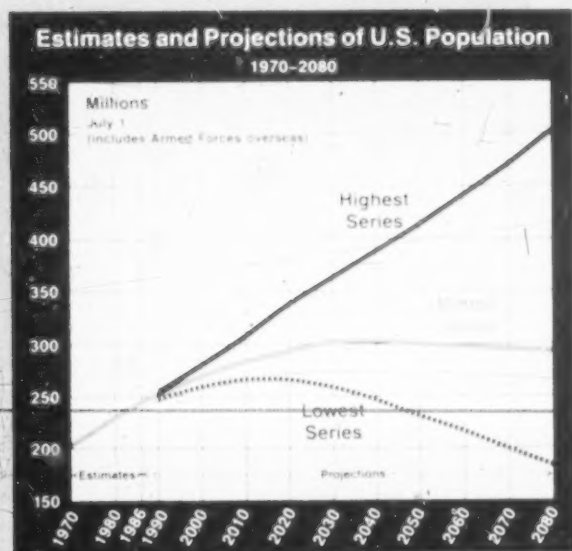
Nos. 2027-2028

June, 1989

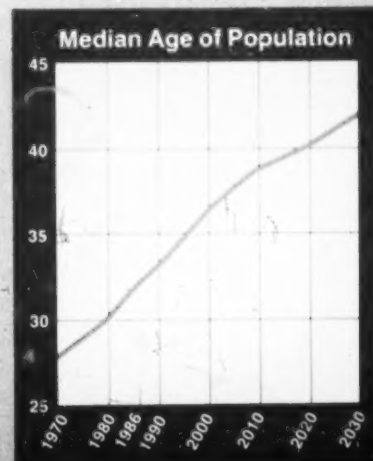
The Census Bureau recently released new projections of the size and composition of the U.S. population to the year 2080. The projections are based on July 1, 1986, population estimates and various assumptions about fertility, mortality, and net immigration. The Bureau prepared several versions based on different assumptions; this Road Map utilizes the middle, or most realistic, series.

According to this series, the U.S. population will continue to grow through the end of this century and peak at 302 million in 2038. Thereafter, it will decline for the first time in history, to 292 million in 2080.

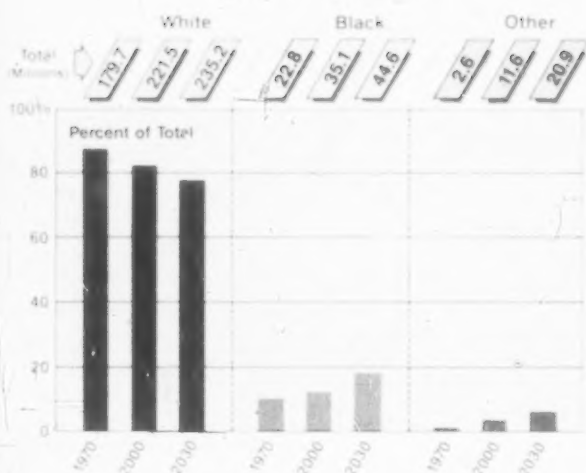
Major highlights of the projections about the size and composition of the population are summarized below:



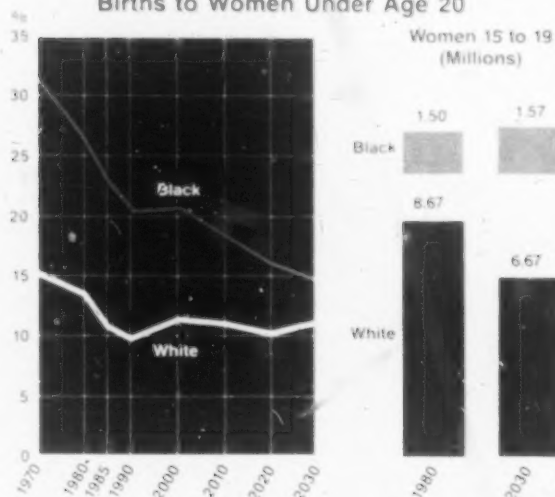
• Fertility is by large measure determined by social and economic trends; factors such as participation in the labor force, educational attainment, and age at first marriage are all determinants of fertility. The number of births is projected to decline sharply between now and 2030, in spite of a steady fertility rate over the period. The decline of women in the primary childbearing age group accounts for most of that drop. Births to white women are expected to decline by 19% between 1988 and 2030 to 2.4 million; births to black women, on the other hand,



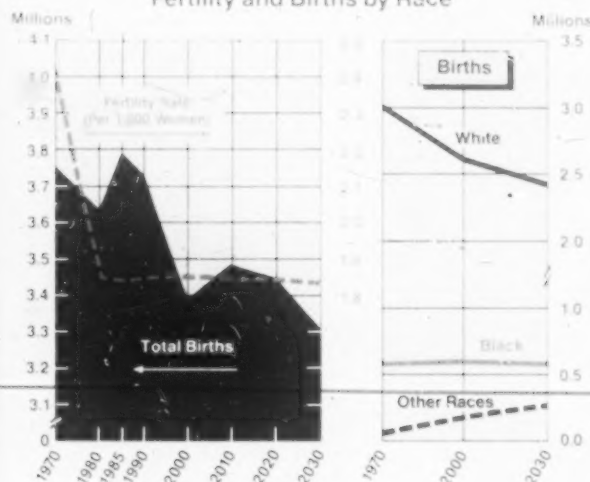
Population by Race



Births to Women Under Age 20



Fertility and Births by Race



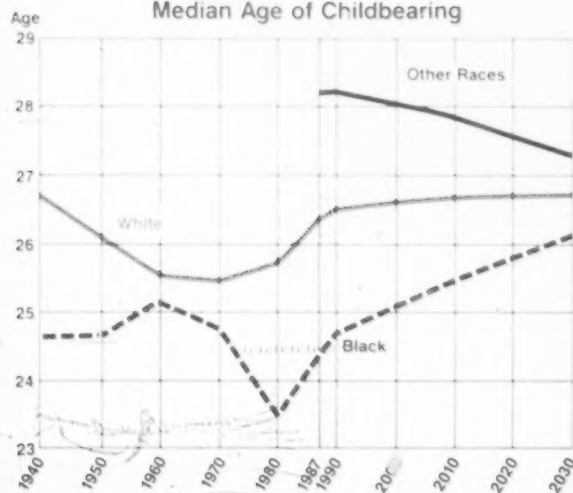
are projected to remain at about 600,000 per year for the next half century; births to women of other races should increase dramatically—from under 4% of total births now, they would rise to 8.4% in 2030.

Births to teenagers are projected to decline substantially. Most of the drop will be due to the drop in the proportion of women in that age group, and not because of lower rates of child bearing among teenagers.

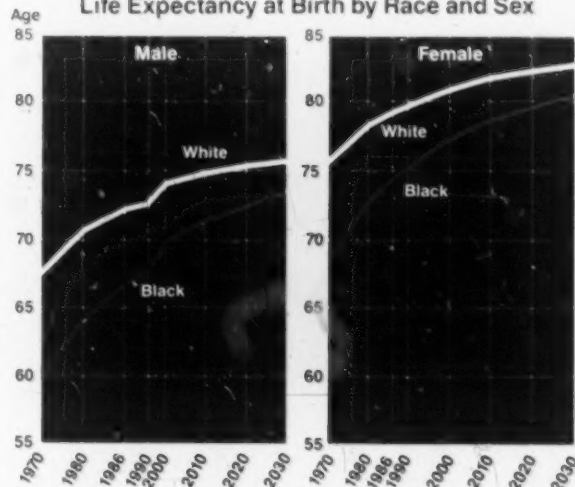
- Since the early 1980s more than 2 million people have died in the U.S. every year. As the baby boomers approach 65, the number of deaths will increase at a faster clip, rising to over 3 million after 2020. By 2030, the number of deaths should exceed births.

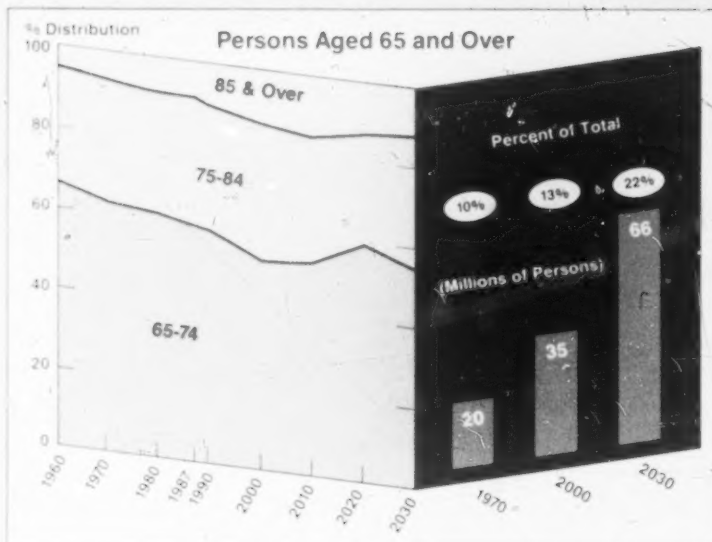
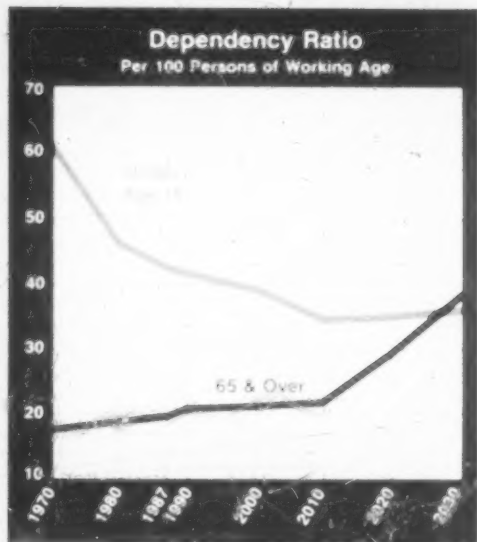
- The population pyramid chart on page one shows the large increment in the number of persons over 40—both men and women—by the year 2030. Another indicator of population aging, the median age, is already at an all-time high of 32 years and is expected to climb to 42 years in 2030. As the overall population ages, the size of the elderly popu-

Median Age of Childbearing



Life Expectancy at Birth by Race and Sex



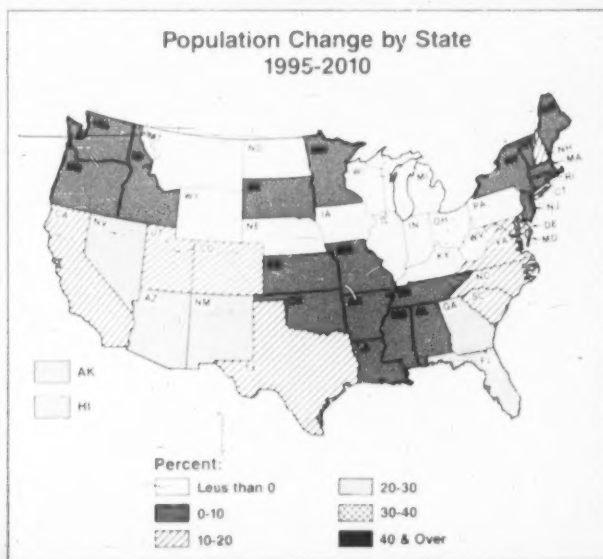
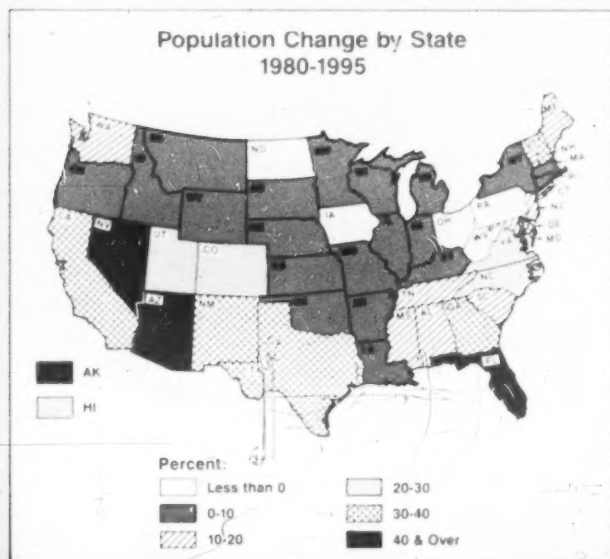
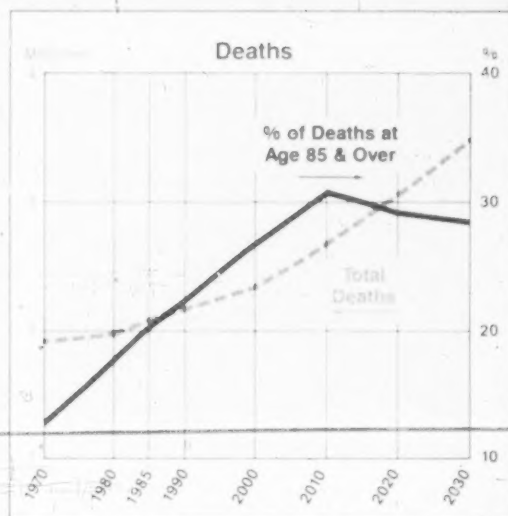


lation will also grow. The number of persons 65 and over will more than double reaching 66 million in 2030, from 30 million in 1987, and will account for almost a quarter of the total population. Those over 75 will be the fastest growing group.

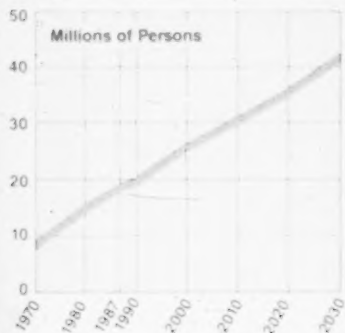
- The white population is projected to increase by 29 million over the next 40 years, peak at 235 million in 2027, and decline steadily thereafter. Against a rise of 14% in the white population, the black population is projected to grow by 50% to 45 million by 2030. The population of other races (Asians, Pacific Islanders, and American Indians) will experience the fastest growth from 8 million in 1987 to 21 million in 2030.

- On a regional basis, the South and West will continue to score the fastest population growth, but the rise during the 1995-2010 period will be slower than during 1980-1995 when states like Florida, Nevada, Arizona, and Alaska are expected to add 50% to their population. Most of the Midwest will experience population losses during the second period.

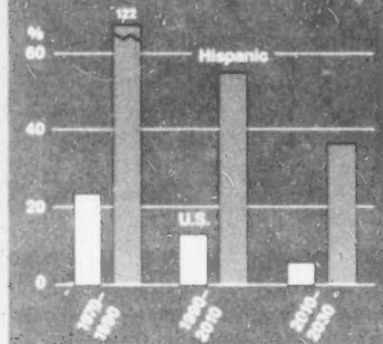
- The number of Hispanics, by far the fastest growing compo-



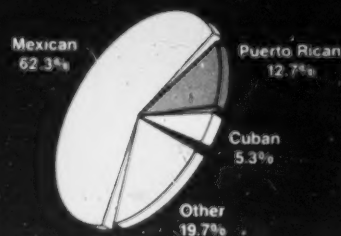
Hispanic Population in the U.S.



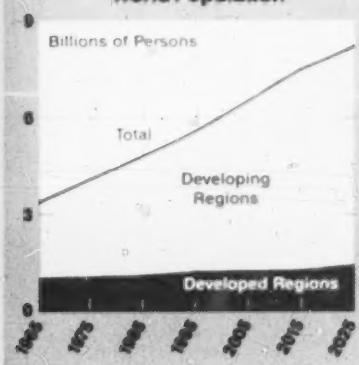
Change in Populations



Hispanic Population by Origin March, 1988



World Population

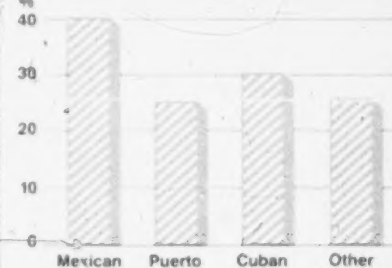


ment of the U.S. population, is projected to double within the next 30 years and to reach 42 million in 2030, accounting for 14% of the total population (from the present 7%). Three-quarters of the Hispanic population lives in California, the Southwest, and Florida.

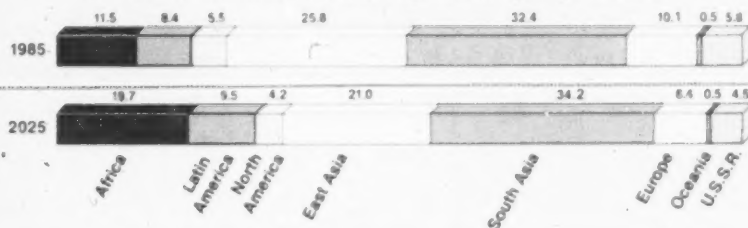
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Sources: U.S. Department of Commerce; United Nations; The Conference Board.

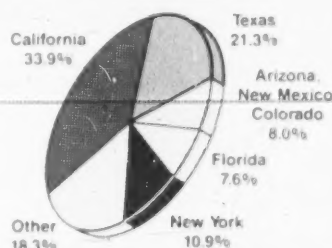
Percent Change in Hispanic Population 1980-1988



Percent Distribution of World Population: by Major Areas



Geographic Distribution of Hispanic Population March, 1988



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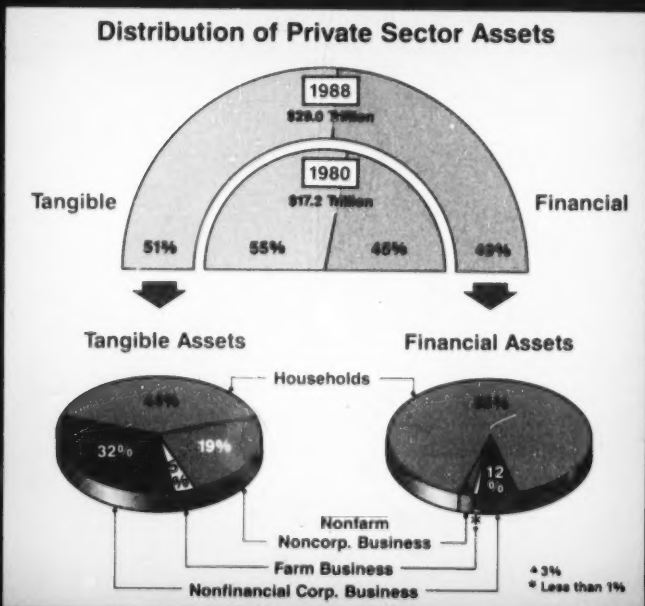
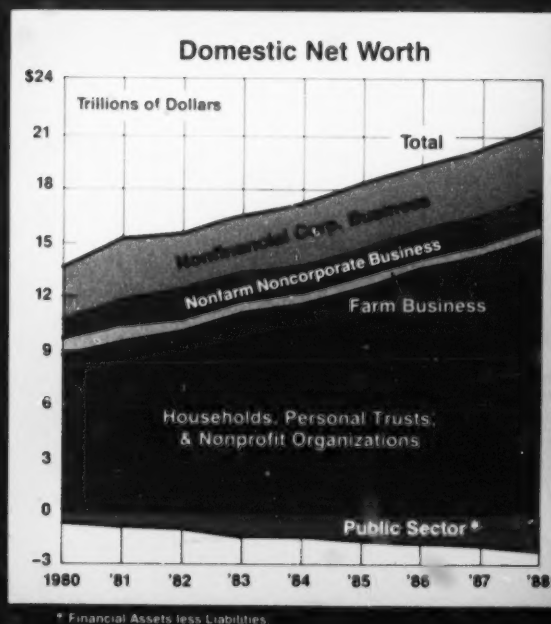
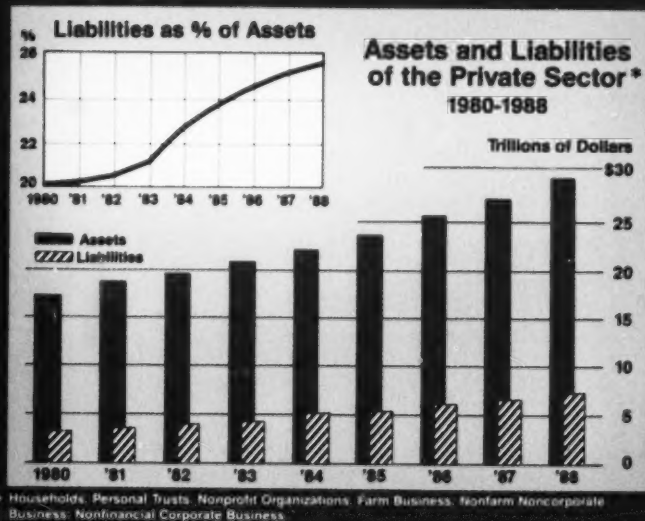
Nos. 2029-2030

August, 1989

Major trends in business and financial activity, which often concentrate on "flows" or changes in income or financial activity, are also illuminated by taking account of "stocks" or balance sheet positions. This Road Map examines the evolution of total tangible and financial assets and liabilities of the U.S. private sector during the 1980s. It considers the major components of the private sector, such as house-

holds and the nonfinancial corporate sector.

The private sector balance sheet has changed significantly during the 1980s. Despite healthy gains in assets, the debt ratio rose as liabilities grew faster than assets. Against advances of 6.7% in assets, liabilities rose 10% on average during the 1980s.

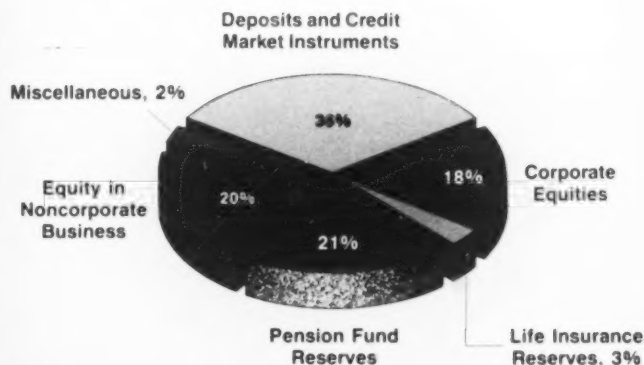


The private sector (consisting of households, personal trusts, and nonprofit organizations; farm business; nonfarm noncorporate business and the nonfinancial corporate business) had assets of \$29 trillion at the end of 1988. Offsetting these assets were liabilities of \$7.4 trillion, mainly in the form of credit market and trade debt. This left the private sector with a net worth of \$21.6 trillion at the end of 1988.

Private sector assets (on a nonconsolidated basis) are about equally divided between tangible assets, such as residential structures, plant and equipment, consumer durables, inventories and land (at market value), and financial assets consisting mostly of currency and deposits, insurance and pension claims, loans, mortgages, government securities, corporate bonds and stock, and trade credit.

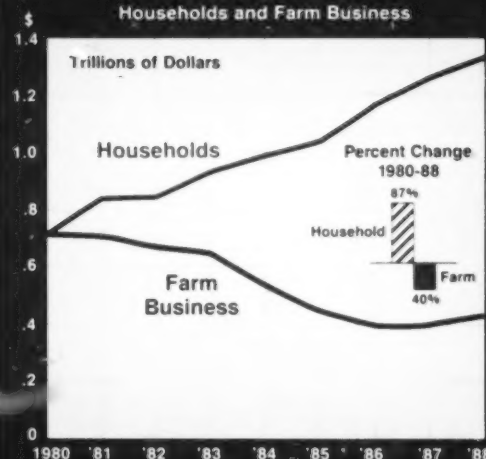
Composition of Household Financial Assets

\$12.1 Trillion = 100%



Value of Land

Households and Farm Business

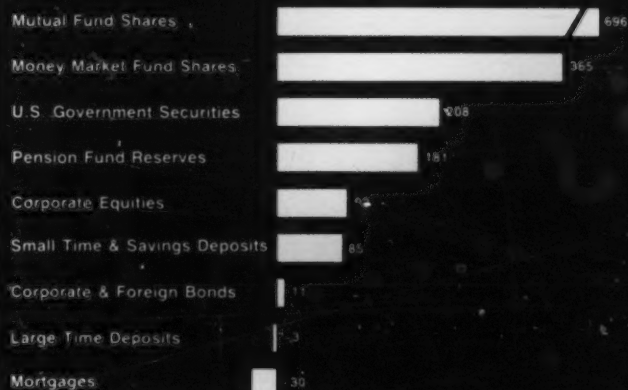


Households are by far the largest holders of assets—some \$18.6 trillion in 1988, 35% of which was in tangible assets and 65% in financial assets. Housing accounted for almost one-half of tangible assets. On the debit side, home mortgages were the predominant form of debt, accounting for over \$2 trillion of household liabilities. Both financial assets and credit liabilities of the household sector doubled during the 1980s, with tangible assets growing at a slower rate. The \$3.1 trillion credit market debt of the household sector represented 20% of net worth of the sector in 1988 compared with 16% in 1980. Mutual fund shares were the favored financial investment of the 1980s—they rose almost 700%, followed by money market shares (365%). In dollar amounts, however, small deposits and government securities remained the predominant asset held by households.

As incomes rise, consumers are willing and able to shoulder a proportionately larger debt. The liquidity position of households, or the trend in their liquid assets (bank deposits, currency, U.S. savings bonds, and money market fund shares) to total liabilities has deteriorated. Liquid assets have been growing at a rate of 8%, while liabilities have been increasing at a 10% average rate since 1980. Liquid assets represent over one-third of household total financial assets.

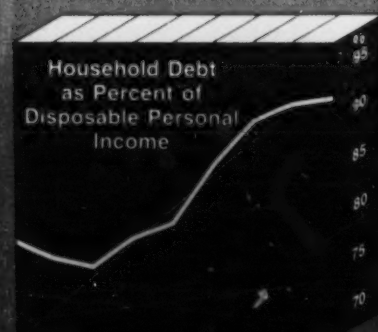
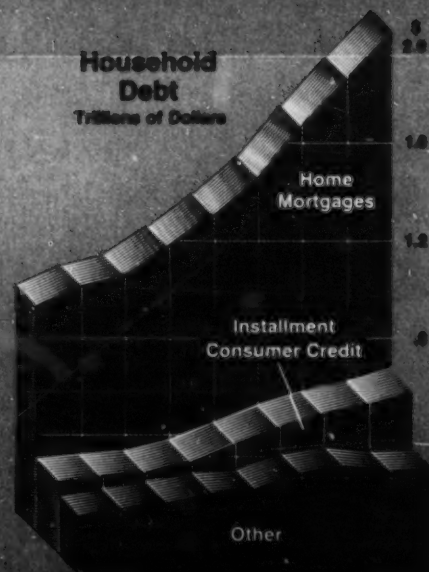
Percent Change of Selected Financial Assets

1980-1988



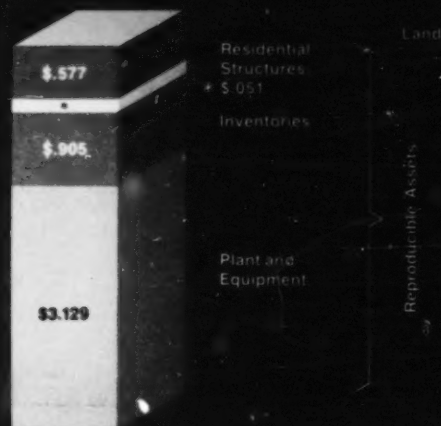
Household Debt

Trillions of Dollars

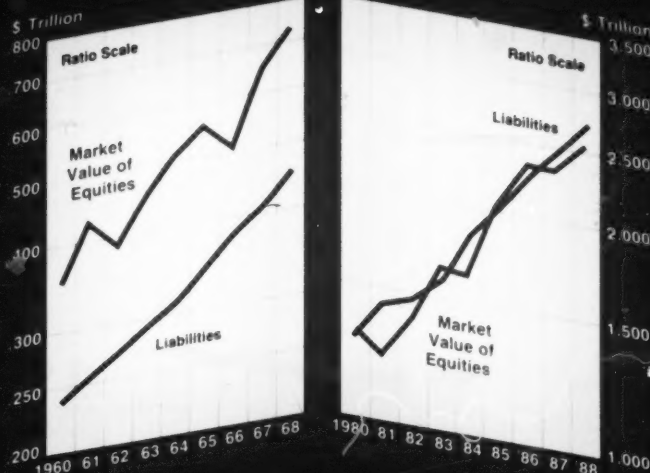


Tangible Assets of Corporate Business, 1988

\$4.7 Trillion 100%



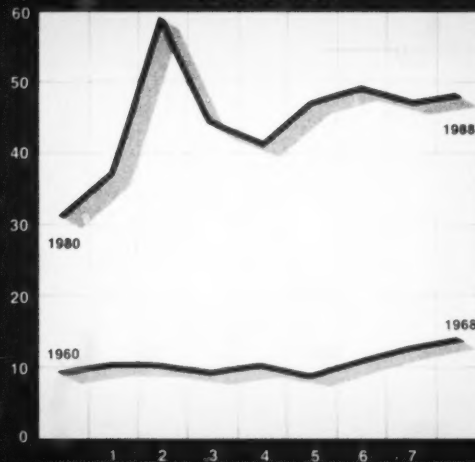
Corporate Liabilities and Value of Equities



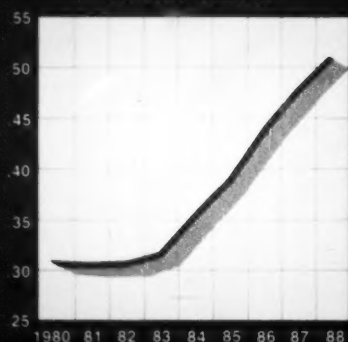
Most of the farm sector assets are in tangible form, of which land is a predominant but declining share. The farm crisis of recent years saw the value of farmers' land decline precipitously, from \$712 billion in 1980 to \$392 billion in 1986, stabilizing thereafter; its value today is \$430.2 billion some 40% below its level of 1980. Consequently, land value today comprises 12% less of the sector's assets than in 1980. Farm assets on the whole declined 25% over the period with liabilities falling 9 percent.

Assets of the nonfinancial corporate sector were \$6.4 trillion at the end of 1988, an increase of 60% since 1980; liabilities, however, totaled \$2.7 trillion or an increase of 111 percent. The ratio of liabilities to assets went from 32% to 42%, and the ratio of debt to net worth shot up to 50% from 30 percent. Interest payments consume almost half of the corporate pretax dollar today, compared with 30% in 1980, and far from the average of about 10% during 1960s. The heavy interest load limits companies' flexibility in times of recession, raising the specter of additional unemployment and plant closings.

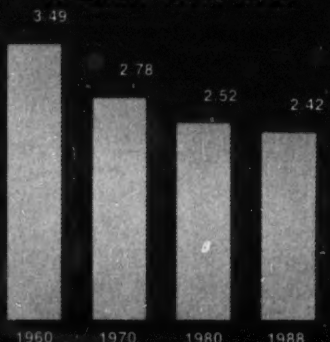
Interest as % of Net Profits Before Tax



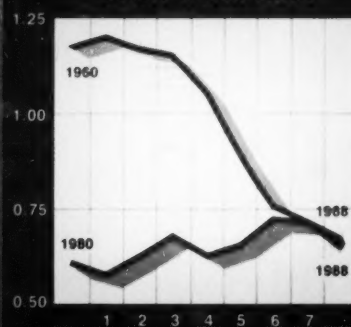
Ratio of Corporate Debt to Net Worth



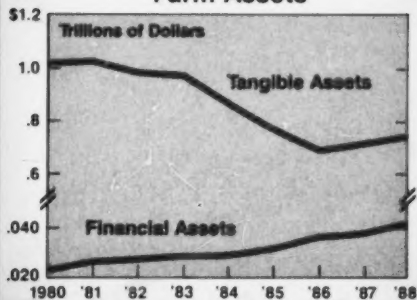
Ratio of Long Term Debt to Short Term Debt



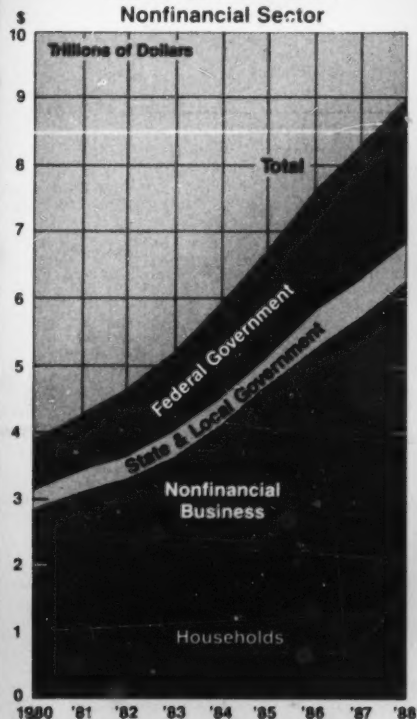
Ratio of Liquid Assets to Short Term Debt



Farm Assets

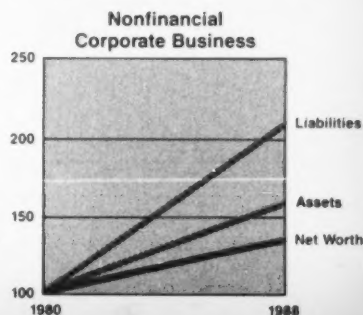
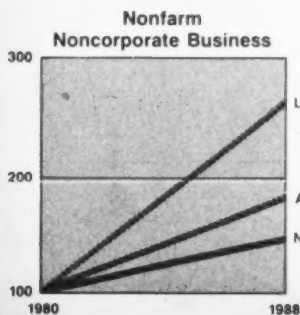
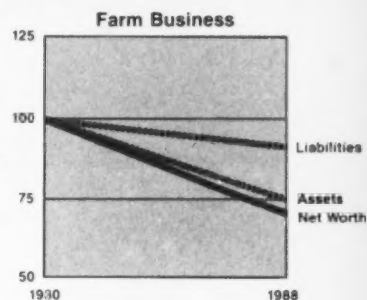
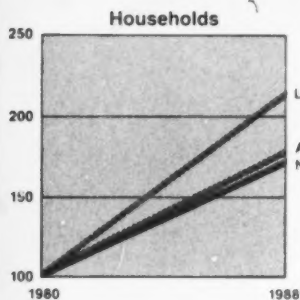


Credit Market Debt Nonfinancial Sector

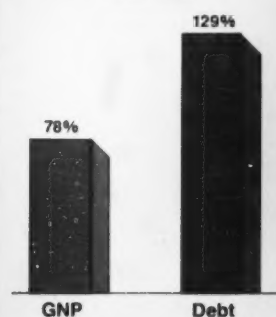


Growth of Assets, Liabilities and Net Worth

1980=100



Growth of GNP & Debt 1980-1988



Overall, the healthy growth of the private sector's assets was offset by a more rapid growth in its debt during the 1980s. The liabilities of all sectors rose faster than their assets and net worth.

Eva Culen

Sources: Board of Governors of the Federal Reserve System; U.S. Department of Commerce; The Conference Board.

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